

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
SUMMONS FOR JUDGMENT NO.40 OF 2007
IN
SUMMARY SUIT NO.2722 OF 2003

M/s.Vinsons Industries. ...Plaintiff.

VS.

M/s.Saboo Cylinders Ltd. ...Defendant

Mr.Anil Agarwal, for Plaintiff.

None for Defendant.

CORAM: D.K.DESHMUKH, J.

DATED: 6th MARCH, 2007.

P.C.:

1. Originally the plaintiff was claiming principal and the amount of interest. Admittedly, the amount of principal has been paid. The plaintiff is claiming that he is entitled to interest under the provisions of Interest on delayed payments to Small Scale and Ancillary Industrial Undertakings Act, 1993.

2. Perusal of Section 4 of the Act shows that assuming that the plaintiff is entitled to interest

under that Act, the rate of interest would be 5 percent points above the floor rate for comparable lending. Obviously, this floor rate for comparable lending will have to be of the date on which the defendant became liable to pay interest. Therefore, firstly, the plaintiff will have to plead in the plaint what was the comparable lending rate on the date on which the defendant was liable to pay interest. However, there are no pleadings in that regard on record. Therefore, it would not be appropriate to decree the suit in summary jurisdiction. The defendant is, therefore, entitled to leave to defend. The summons for judgment is disposed of. The defendant is granted unconditional leave to defend the suit. Written statement to be filed within eight weeks from today.
